

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY

MANTON, MICHIGAN

MARCH 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Cedar Creek Township	County Wexford
Audit Date 3/31/04	Opinion Date 6/7/04	Date Accountant Report Submitted to State: June 18, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.


We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) BAIRD, COTTER AND BISHOP, P.C.			
Street Address 134 W. HARRIS STREET	City CADILLAC	State MI	ZIP 49601
Accountant Signature 		Date 6/18/04	

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

MARCH 31, 2004

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CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

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Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

June 7, 2004

INDEPENDENT AUDITORS' REPORT

To the Township Board
Cedar Creek Township
Wexford County
Manton, Michigan

We have audited the accompanying general-purpose financial statements of Cedar Creek Township, Wexford County, Manton, Michigan, as of and for the year ended March 31, 2004, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Township. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note I.B, the Township's policy is to prepare its general-purpose financial statements on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each of the various funds of Cedar Creek Township, Wexford County, Manton, Michigan as of March 31, 2004, and the cash receipts received and disbursements paid of such funds for the year then ended on the basis of accounting described in Note I.B.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying financial information listed as "Financial Statements of Individual Funds" and "Other Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the examination of the general-purpose financial statements, and in our opinion, it is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

BAIRD, COTTER AND BISHOP, P. C.

Baird, Cotter & Bishop, P.C.

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

COMBINED STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
ALL FUND TYPES AND ACCOUNT GROUP

MARCH 31, 2004

	GOVERNMENTAL FUND TYPE	FIDUCIARY FUND TYPES	ACCOUNT GROUP	TOTAL (MEMORANDUM ONLY)
	GENERAL	TRUST AND AGENCY	GENERAL FIXED ASSETS	
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 346,717	\$ 106,442	\$ 0	\$ 453,159
Taxes Receivable	3,729	0	0	3,729
Land	0	0	2,000	2,000
Land Improvements	0	0	22,977	22,977
Buildings	0	0	58,456	58,456
Furniture and Equipment	0	0	324,259	324,259
 TOTAL ASSETS	 \$ 350,446	 \$ 106,442	 \$ 407,692	 \$ 864,580
<u>LIABILITIES AND BALANCE</u>				
<u>LIABILITIES</u>				
Deferred Revenue	\$ 3,729	\$ 0	\$ 0	\$ 3,729
Payroll Withholdings	802	0	0	802
 Total Liabilities	 \$ 4,531	 \$ 0	 \$ 0	 \$ 4,531
<u>BALANCE</u>				
Investment in General Fixed Assets	\$ 0	\$ 0	\$ 407,692	\$ 407,692
Reserved For:				
Cemetery Perpetual Care	0	2,298	0	2,298
Public Health, Safety and Welfare	0	103,252	0	103,252
Unreserved	345,915	892	0	346,807
 Total Balance	 \$ 345,915	 \$ 106,442	 \$ 407,692	 \$ 860,049
 TOTAL LIABILITIES AND BALANCE	 \$ 350,446	 \$ 106,442	 \$ 407,692	 \$ 864,580

The accompanying notes are an integral part of these financial statements.

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND

FOR THE YEAR ENDED MARCH 31, 2004

	GOVERNMENTAL FUND TYPE GENERAL FUND	FIDUCIARY FUND TYPE EXPENDABLE TRUST	TOTAL (MEMORANDUM ONLY)
<u>RECEIPTS</u>			
Taxes	\$ 40,594	\$ 0	\$ 40,594
Federal Grants	59,739	0	59,739
State Grants	104,697	0	104,697
Contributions from Local Units	5,626	42,072	47,698
Charges for Services	25,991	0	25,991
Interest and Rents	5,491	311	5,802
Other Receipts	14,811	0	14,811
Total Receipts	\$ 256,949	\$ 42,383	\$ 299,332
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	\$ 21,591	\$ 0	\$ 21,591
General Government			
Supervisor	9,000	0	9,000
Assessor	13,377	0	13,377
Elections	100	0	100
Clerk	10,292	0	10,292
Board of Review	401	0	401
Treasurer	18,299	0	18,299
Building and Grounds	4,925	0	4,925
Building Inspection	8,298	0	8,298
Cemetery	21,237	0	21,237
Public Safety	93,675	0	93,675
Public Works	14,848	0	14,848
Health and Welfare	0	3,500	3,500
Other Functions	14,930	0	14,930
Total Disbursements	\$ 230,973	\$ 3,500	\$ 234,473
Excess of Receipts Over (Under)			
Disbursements	\$ 25,976	\$ 38,883	\$ 64,859
<u>BALANCE - April 1, 2003</u>	319,939	64,369	384,308
<u>BALANCE - March 31, 2004</u>	\$ 345,915	\$ 103,252	\$ 449,167

The accompanying notes are an integral part of these financial statements.

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED MARCH 31, 2004

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Taxes	\$ 35,503	\$ 40,594	\$ 5,091
Federal Grants	59,739	59,739	0
State Grants	100,000	104,697	4,697
Contributions from Local Units	0	5,626	5,626
Charges for Services	16,500	25,991	9,491
Interest and Rents	3,000	5,491	2,491
Other Receipts	29,500	14,811	(14,689)
Total Receipts	\$ 244,242	\$ 256,949	\$ 12,707
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	\$ 27,300	\$ 21,591	\$ 5,709
General Government			
Supervisor	9,250	9,000	250
Assessor	13,380	13,377	3
Elections	450	100	350
Clerk	10,513	10,292	221
Board of Review	1,150	401	749
Treasurer	20,003	18,299	1,704
Building and Grounds	6,180	4,925	1,255
Building Inspection	8,650	8,298	352
Cemetery	21,262	21,237	25
Public Safety	93,781	93,675	106
Public Works	14,848	14,848	0
Other Functions	25,125	14,930	10,195
Total Disbursements	\$ 251,892	\$ 230,973	\$ 20,919
Excess of Receipts Over (Under) Disbursements	\$ (7,650)	\$ 25,976	\$ 33,626
<u>BALANCE - April 1, 2003</u>	0	319,939	319,939
<u>BALANCE (DEFICIT) - March 31, 2004</u>	\$ (7,650)	\$ 345,915	\$ 353,565

The accompanying notes are an integral part of these financial statements.

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN
NON EXPENDABLE TRUST FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
YEAR ENDED MARCH 31, 2004

RECEIPTS

Interest and Rents

Interest Income

\$ 32

DISBURSEMENTS

Cemetery

\$ 32

Net Income (Loss)

\$ 0

BALANCE - April 1, 2003

2,298

BALANCE - March 31, 2004

\$ 2,298

The accompanying notes are an integral part of these financial statements.

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

NONEXPENDABLE TRUST FUND

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2004

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash Flows from Operating Activities

Earnings on Investments and Deposits

\$ 32

Cash Payments for Cemetery Operating Expenses

(32)

Net Cash Provided (Used) by Operating Activities

\$ 0

CASH AND CASH EQUIVALENTS - Beginning of Year

2,298

CASH AND CASH EQUIVALENTS - End of Year

\$ 2,298

The accompanying notes are an integral part of these financial statements.

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Cedar Creek Township is a general law township located in Wexford County which operates under the direction of an elected township board. Under the criteria established by generally accepted accounting principles, the Township has determined that there are no component units which should be included in its reporting entity.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Township are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The Township has no long-term debts which would be recorded in the general long-term debt account group.

The Township has the following fund types:

Governmental funds are used to account for the Township's general government activities. The Township uses the flow of economic resources measurement focus and the modified cash basis of accounting for this fund which is an other comprehensive basis of accounting (OCBOA). Under the modified cash basis of accounting, revenues are recognized when collected (i.e., when cash is received). Expenditures are recorded when cash is disbursed.

Governmental funds include the following fund type:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Fiduciary funds account for assets held by the Township in a trustee capacity or as an agent on behalf of others.

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

Fiduciary funds include the following fund types:

Expendable Trust Funds - The expendable trust funds are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent.

Nonexpendable Trust Funds - The nonexpendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Nonexpendable trust funds account for assets of which the principal may not be spent.

The Current Tax Collection Fund is an agency fund and is custodial in nature. It does not present results of operation or have a measurement focus. The agency fund also uses the modified cash basis of accounting. This fund is used to account for property tax collections which the township makes and distributes for others in an agency capacity.

Account Groups - The general fixed asset account group is used to account for fixed assets not accounted for in proprietary or trust funds.

C. Assets, Liabilities and Equity

1. Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of twelve months or less from date of acquisition.

I. The Township authorizes the Township Treasurer to invest funds as follows:

- a. In bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection (II.).

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

- c. In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
 - d. In repurchase agreements consisting of instruments listed in subdivision (a).
 - e. In bankers' acceptances of United States banks.
 - f. In obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
 - g. In mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. This authorization is limited to securities whose intention is to maintain a net asset value of \$1.00 per share.
 - h. In obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
 - i. In investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.
- II. A public corporation that invests its funds under subsection (I) shall not deposit or invest the funds in a financial institution that is not eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- III. Assets acceptable for pledging to secure deposits of public funds are limited to assets authorized for direct investment under subsection (I).
- IV. As used in this section "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

2. Receivables and Payables

Under the modified cash basis of accounting, the only noncash asset recorded is a receivable for uncollected property taxes. This receivable is entirely offset by a deferred revenue liability account so that income is only recognized when cash is received.

3. Fixed Assets

Fixed assets used in governmental fund types (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The Township maintains a General Fixed Asset Account Group.

4. Use of Estimates

This presentation of financial statements requires the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reporting period. Actual results could differ from those estimates.

5. Memorandum Only - Total Columns

Total columns on the general-purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The annual budget is adopted on the modified cash basis in accordance with the requirements of Michigan Public Act 621 of 1978 "The Uniform Budgeting and Accounting Act". A public hearing is held to obtain taxpayer comments. Appropriations lapse at year end. Budget amounts presented are as originally adopted on March 4, 2003, or as amended by the Township Board from time to time throughout the year.

The appropriated budget is prepared by fund and activity. The Township Board exercises budgetary control over expenditures.

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Township because it is not, at present, considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Of the Township's deposits in commercial accounts, certificates of deposit, and savings accounts at year-end, \$378,225 was covered by Federal Depository Insurance and the remaining \$75,878 was uninsured and uncollateralized. At year-end, the carrying amount of the Township's deposits was \$453,159 and the bank balance was \$454,103.

The carrying amount of the Township's deposits at year-end are shown below:

Citizens Bank	\$ 245,254
National City Bank	500
Forest Area Federal Credit Union	<u>207,405</u>
	<u>\$ 453,159</u>

B. Fixed Assets

Activity in the general fixed assets account group for the Township for the year ended March 31, 2004 was as follows:

	BALANCE 4/1/03	ADDITIONS	DELETIONS	BALANCE 3/31/04
Land	\$ 2,000	\$ 0	\$ 0	\$ 2,000
Land Improvements	22,977	0	0	22,977
Buildings	53,506	4,950	0	58,456
Furniture and Equipment	<u>253,770</u>	<u>70,489</u>	<u>0</u>	<u>324,259</u>
TOTAL	<u>\$ 332,253</u>	<u>\$ 75,439</u>	<u>\$ 0</u>	<u>\$ 407,692</u>

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

IV. OTHER INFORMATION

A. Property Taxes

The Township levied 0.8784 mills in tax on a state taxable value of \$29,280,468 on the 2003 tax roll.

The date of the levy was December 1 at which time the taxes become an enforceable lien against the property. Taxes are due and payable to the township treasurer on or before February 28. After February 28 the property taxes are payable to the Wexford County Treasurer. Property taxes levied December 1 which are collected prior to the end of the fiscal year are recognized as income in the year in which they are levied. The Township's portion of delinquent property taxes receivable is recognized as an asset. The taxes receivable are also recorded as deferred revenue and the tax collections are recorded as cash receipts when collected.

The balance of \$892 remaining in the Current Tax Collection Fund was made up of the following:

Commercial Forest Tax	\$	172
Dog License Fees		18
Interest Earnings		72
Advance from General Fund		20
Property Tax Administration Fees		610
		<hr/>
Total	\$	<u>892</u>

B. Interest Income and Expense

For the year ended March 31, 2004, interest income and expense was as follows:

	INTEREST	
	INCOME	EXPENSE
General Fund	\$ 5,366	\$ 0
Landfill Impact Fee Fund	311	0
Cemetery Perpetual Care Fund	32	0
		<hr/>
TOTAL	\$ 5,709	<u>0</u>

Note - Interest income earned in the Current Tax Collection Fund is periodically transferred to the General Fund and is shown as General Fund interest income.

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

C. Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Township participates in a pool of municipalities within the State of Michigan for self-insuring property and casualty, crime, general liability, workers compensation insurance and errors and omissions insurance. The Township pays annual premiums to the pool for the respective insurance coverage. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessments to make up the deficiency. The Township has not been informed of any special assessments being required for the current year or prior three years.

The Township continues to carry insurance for other risks of loss, including fidelity bonds.

D. Amount Due from Wexford County DPW

The Township Landfill Impact Fee Fund will receive annual payments of \$10,744 each year through April 2008, as payment of previous years underpayments totaling \$64,465. These annual payments are at zero percent interest.

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

GENERAL FUND
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

MARCH 31, 2004

ASSETS

Cash and Cash Equivalents	\$	346,717
Taxes Receivable		<u>3,729</u>
TOTAL ASSETS	\$	<u><u>350,446</u></u>

LIABILITIES AND BALANCE

LIABILITIES

Deferred Revenue	\$	3,729
Payroll Withholdings		<u>802</u>

Total Liabilities	\$	4,531
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BALANCE

Unreserved		<u>345,915</u>
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TOTAL LIABILITIES AND BALANCE	\$	<u><u>350,446</u></u>
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CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

GENERAL FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Taxes	\$ 35,503	\$ 40,594	\$ 5,091
Federal Grants	59,739	59,739	0
State Grants	100,000	104,697	4,697
Contributions from Local Units	0	5,626	5,626
Charges for Services	16,500	25,991	9,491
Interest and Rents	3,000	5,491	2,491
Other Receipts	29,500	14,811	(14,689)
Total Receipts	\$ 244,242	\$ 256,949	\$ 12,707
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	\$ 27,300	\$ 21,591	\$ 5,709
General Government			
Supervisor	9,250	9,000	250
Assessor	13,380	13,377	3
Elections	450	100	350
Clerk	10,513	10,292	221
Board of Review	1,150	401	749
Treasurer	20,003	18,299	1,704
Building and Grounds	6,180	4,925	1,255
Building Inspection	8,650	8,298	352
Cemetery	21,262	21,237	25
Public Safety	93,781	93,675	106
Public Works	14,848	14,848	0
Other Functions	25,125	14,930	10,195
Total Disbursements	\$ 251,892	\$ 230,973	\$ 20,919
Excess of Receipts Over (Under) Disbursements	\$ (7,650)	\$ 25,976	\$ 33,626
<u>BALANCE - April 1, 2003</u>	0	319,939	319,939
<u>BALANCE (DEFICIT) - March 31, 2004</u>	\$ (7,650)	\$ 345,915	\$ 353,565

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

GENERAL FUND
ANALYSIS OF CASH RECEIPTS

FOR THE YEAR ENDED MARCH 31, 2004

TAXES

Current Property Taxes	\$ 21,985	
Delinquent Property Taxes	5,131	
Payments in Lieu of Taxes	2,368	
Property Tax Administration Fee	8,107	
Summer State Tax Collection Fee	<u>3,003</u>	\$ 40,594

FEDERAL GRANTS

FEMA

59,739

STATE GRANTS

State Revenue Sharing

Sales and Use Tax

104,697

CONTRIBUTIONS FROM LOCAL UNITS

City of Manton - Cemetery Operations

5,626

CHARGES FOR SERVICES

Cemetery Lots and Grave Openings	\$ 3,185	
Burial Fees	7,550	
Fire Runs	5,165	
Licenses and Permits	9,866	
Cemetery Winter Storage	<u>225</u>	25,991

INTEREST AND RENTS

Interest Earnings	\$ 5,366	
Hall Rent	<u>125</u>	5,491

OTHER RECEIPTS

Refunds and Reimbursements	\$ 829	
Diesel Fuel Reimbursement - North Flight	<u>13,982</u>	<u>14,811</u>

TOTAL CASH RECEIPTS	\$	<u>256,949</u>
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CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

GENERAL FUND
ANALYSIS OF CASH DISBURSEMENTS

FOR THE YEAR ENDED MARCH 31, 2004

LEGISLATIVE

Township Board

Personal Services

Salaries and Wages

\$ 3,600

Supplies

Office Supplies

3

Other Services and Charges

Diesel Fuel - North Flight Tank

14,590

Professional and Contracted Services

1,865

Miscellaneous

1,533

Total Legislative

\$ 21,591

GENERAL GOVERNMENT

Supervisor

Personal Services

Salaries and Wages

\$ 9,000

Assessor

Other Services and Charges

Contracted Services - Assessing

13,377

Election

Supplies

Office Supplies

100

Clerk

Personal Services

Salaries and Wages

\$ 9,000

Supplies

Printing and Publishing

317

Education and Training

85

Other Services and Charges

307

Office Supplies

583

10,292

Board of Review

Personal Services

Salaries and Wages

\$ 372

Supplies

Office Supplies

2

Other Services and Charges

27

401

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

GENERAL FUND
ANALYSIS OF CASH DISBURSEMENTS

FOR THE YEAR ENDED MARCH 31, 2004

Treasurer

Personal Services

Salaries and Wages \$ 12,500

Salaries and Wages - Deputy 266

Supplies

Office Supplies 999

Other Services and Charges 4,534 18,299

Building and Grounds

Supplies

Operating Supplies \$ 27

Other Services and Charges

Public Utilities 2,880

Repairs and Maintenance 2,018 4,925

Building Inspection

Other Services and Charges

Contracted Services \$ 7,948

Miscellaneous 350 8,298

Cemetery

Personal Services

Salaries and Wages \$ 11,619

Supplies

Operating Supplies 400

Other Services and Charges

Public Utilities 141

Repairs and Maintenance 2,885

Contracted Services 80

Gas and Oil 23

Miscellaneous 1,241

Capital Outlay

Equipment 4,848 21,237

Total General Government

85,929

PUBLIC SAFETY

Fire

Personal Services

Salaries and Wages \$ 4,399

Supplies

Office Supplies 367

Operating Supplies 726

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

GENERAL FUND
ANALYSIS OF CASH DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

Other Charges and Services			
Public Utilities	1,348		
Repairs and Maintenance	9,299		
Gas and Oil	210		
Miscellaneous	543		
Capital Outlay			
Building	4,950		
Equipment	65,641	87,483	
Zoning Board			
Personal Services			
Salaries and Wages	\$ 1,843		
Supplies			
Operating Supplies	681		
Other Services and Fees			
Miscellaneous	2,257		
Zoning Permits	932		
Professional Services	479	6,192	
Total Public Safety			93,675
<u>PUBLIC WORKS</u>			
Highway, Streets and Bridges			
Other Charges and Services			
Repairs and Maintenance			14,848
<u>OTHER FUNCTIONS</u>			
Insurance and Bonds		\$ 10,148	
Employee Benefits			
Medicare and Social Security	\$ 4,046		
Workers Compensation	736	4,782	
Total Other Functions			14,930
TOTAL CASH DISBURSEMENTS			\$ <u>230,973</u>

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

FIDUCIARY FUNDS

COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

	NONEXPENDABLE TRUST FUND	EXPENDABLE TRUST FUND
	CEMETERY PERPETUAL CARE	LANDFILL IMPACT FEE FUND
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 2,298	\$ 103,252
<u>LIABILITIES AND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>BALANCE</u>		
Reserved for		
Cemetery Perpetual Care	\$ 2,298	\$ 0
Public Health, Safety and Welfare	0	103,252
Unreserved; Undesignated	0	0
Total Balance	\$ 2,298	\$ 103,252
TOTAL LIABILITIES AND BALANCE	\$ 2,298	\$ 103,252

STATEMENT 5

<u>AGENCY FUND</u>	
<u>CURRENT</u>	
<u>TAX</u>	
<u>COLLECTION</u>	<u>TOTALS</u>
\$ <u>892</u>	\$ <u>106,442</u>
\$ <u>0</u>	\$ <u>0</u>
\$ <u>0</u>	\$ <u>2,298</u>
<u>0</u>	<u>103,252</u>
<u>892</u>	<u>892</u>
\$ <u>892</u>	\$ <u>106,442</u>
\$ <u>892</u>	\$ <u>106,442</u>

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

LANDFILL IMPACT FEE FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
MARCH 31, 2004

ASSETS

Cash and Cash Equivalents	\$ <u>103,252</u>
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LIABILITIES AND BALANCE

LIABILITIES

\$ 0

BALANCE

Reserved for Public Health,
Safety, and Welfare

103,252

TOTAL LIABILITIES AND BALANCE

\$ 103,252

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

LANDFILL IMPACT FEE FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE
YEAR ENDED MARCH 31, 2004

RECEIPTS

Interest	\$ 311
Contributions from Local Units	
Wexford County Impact Fees	<u>42,072</u>
Total Receipts	\$ 42,383

DISBURSEMENTS

Health and Welfare	
Other Services and Charges	
Contracted Services	<u>\$ 3,500</u>
Excess of Receipts Over (Under) Disbursements	\$ 38,883

<u>BALANCE</u> - Beginning of Year	<u>64,369</u>
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<u>BALANCE</u> - End of Year	<u><u>\$ 103,252</u></u>
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CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

CEMETERY PERPETUAL CARE FUND
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

MARCH 31, 2004

ASSETS

Cash and Cash Equivalents	\$ <u>2,298</u>
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LIABILITIES AND BALANCE

<u>LIABILITIES</u>	\$ 0
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<u>BALANCE</u>	
Reserved for Cemetery Perpetual Care	<u>2,298</u>

TOTAL LIABILITIES AND BALANCE	\$ <u>2,298</u>
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CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

CEMETERY PERPETUAL CARE FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

YEAR ENDED MARCH 31, 2004

RECEIPTS

Interest and Rents
Interest Income

\$ 32

DISBURSEMENTS

Cemetery

32

Net Income (Loss)

\$ 0

BALANCE - Beginning of Year

2,298

BALANCE - End of Year

\$ 2,298

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

CEMETERY PERPETUAL CARE FUND
STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2004

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash Flows from Operating Activities	
Earnings on Investments and Deposits	\$ 32
Cash Payments for Cemetery Operating Expenses	<u>(32)</u>
Net Cash Provided (Used) by Operating Activities	\$ 0
<u>CASH AND CASH EQUIVALENTS - Beginning of Year</u>	<u>2,298</u>
<u>CASH AND CASH EQUIVALENTS - End of Year</u>	<u>\$ 2,298</u>

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

CURRENT TAX COLLECTION FUND
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

MARCH 31, 2004

	<u>ASSETS</u>	
Cash and Cash Equivalents		\$ <u>892</u>
	<u>EQUITY</u>	
Balance		\$ <u>892</u>

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

CURRENT TAX COLLECTION FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

FOR THE YEAR ENDED MARCH 31, 2004

RECEIPTS

Current Tax Collections	\$ 872,517	
Property Tax Administration Fee	8,715	
Penalties and Interest	267	
Commercial Forest	172	
Dog License Fees	42	
Interest Earnings	189	
Overcollections from Taxpayers	5,448	
Total Receipts		\$ 887,350

DISBURSEMENTS

Payments to State of Michigan		
Commercial Forest	\$ 112	
Payments to County Treasurer		
Current Tax	\$ 254,472	
Current Tax - State Education Tax	136,395	
Penalties and Interest	267	
Dog License Fees	24	
		391,158
Payments to Township Treasurer		
Current Tax	\$ 21,985	
Property Tax Administration Fee	8,107	
Interest Earnings	300	
		30,392
Payments to School Treasurer		
Current Tax		
Manton Consolidated Schools		309,462
Payments to Intermediate School Treasurer		
Current Tax		
Wexford-Missaukee		150,203
Bank Service Charges		88
Refunds of Overcollections		5,448
Total Disbursements		886,863
Excess of Receipts Over (Under) Disbursements		\$ 487

BALANCE - April 1, 2003

405

BALANCE - March 31, 2004

\$ 892

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

GENERAL FIXED ASSETS GROUP OF ACCOUNTS

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
FOR THE YEAR ENDED MARCH 31, 2004

	BALANCE 4/1/03	ADDITIONS	DELETIONS	BALANCE 3/31/04
<u>GENERAL FIXED ASSETS</u>				
Land	\$ 2,000	\$ 0	\$ 0	\$ 2,000
Land Improvements	22,977	0	0	22,977
Buildings	53,506	4,950	0	58,456
Furniture and Equipment	253,770	70,489	0	324,259
	<u>\$ 332,253</u>	<u>\$ 75,439</u>	<u>\$ 0</u>	<u>\$ 407,692</u>
 <u>INVESTMENT IN GENERAL FIXED ASSETS</u>	 <u>\$ 332,253</u>	 <u>\$ 75,439</u>	 <u>\$ 0</u>	 <u>\$ 407,692</u>

CEDAR CREEK TOWNSHIP, WEXFORD COUNTY
MANTON, MICHIGAN

STATEMENT 2003 TAX ROLL
MARCH 31, 2004

TAXES ASSESSED

County	\$	297,643	
County - State Education Tax		146,400	
Township			
Operating		25,714	
Schools			
Manton Consolidated Schools		367,693	
Intermediate Schools			
Wexford-Missaukee		<u>175,686</u>	\$ 1,013,136

TAXES COLLECTED

County	\$	254,472	
County - State Education Tax		136,395	
Township			
Operating		21,985	
Schools			
Manton Consolidated Schools		309,462	
Intermediate Schools			
Wexford-Missaukee		<u>150,203</u>	<u>872,517</u>

TAXES RETURNED DELINQUENT

County	\$	43,171	
County - State Education Tax		10,005	
Township			
Operating		3,729	
Schools			
Manton Consolidated Schools		58,231	
Intermediate Schools			
Wexford-Missaukee		<u>25,483</u>	\$ <u>140,619</u>

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

June 7, 2004

LETTER OF COMMENTS AND RECOMMENDATIONS

To the Township Board
Cedar Creek Township
Wexford County
Manton, Michigan

As a result of our audit of the general-purpose financial statements of Cedar Creek Township for the year ended March 31, 2004, we would like to note the following items:

Property Tax Administration Fee

The Township is charging a property tax administration fee. The Township has determined that authorized costs of tax collection will be repeatedly in excess of revenue generated by the administration fee but has not formally taken action to write off this loss. We recommend that the Township keep subsidiary records which reflect property tax administration fee collections and costs and that the Board pass a motion to write off the loss annually.

Budgeting

Pertaining to the Township's compliance with Public Acts 621 of 1978, the budget should include the estimated beginning fund balance in the body of the approved budget document. Other than this technical violation, the Township did a good job with budgeting this year.

GASB 34

The Government Accounting Standards Board has issued a new pronouncement that will dramatically change the way governmental entities report their financial information. For Cedar Creek Township, GASB 34 will become effective for the year beginning April 1, 2004.

Some of the changes required by GASB 34 are as follows:

- a) Management's discussion and analysis will be the first thing in a financial report. This will be the administration's narrative overview of the information contained in the financial statements.
- b) The budgetary comparison information must report the original adopted budget and the final amended budget.

- c) Capital assets and long-term liabilities will be required to be reported in the balance sheet. The depreciation on the capital assets will then be reported as an expense in the statement of revenues and expenses. With this change, the financial statements of a government entity will look similar to a for-profit business financial statements.

We are available to assist the Township in all aspects of the implementation of this new standard. Please contact us to discuss.

We would like to thank the board for its confidence in our firm and thank the township clerk and treasurer for their cooperation.

If you have any questions relative to the above comments and recommendations or other areas of your annual accounting, please feel free to call on us.

Very truly yours,

BAIRD, COTTER AND BISHOP, P. C.

Baird, Cotter & Bishop P.C.

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

JOHN H. BISHOP, C.P.A.
ROBERT V. BEATTIE, C.P.A.
DOUGLAS P. McMULLEN, C.P.A.
JOHN F. TAYLOR, C.P.A.
STEVEN C. ARENDS, C.P.A.
SCOTT A. HUNTER, C.P.A.
JONATHAN E. DAMHOF, C.P.A.
MICHAEL D. COOL, C.P.A.

June 7, 2004

LETTER OF REPORTABLE CONDITIONS

To the Township Board
Cedar Creek Township
Wexford County
Manton, Michigan

In planning and performing our audit of the general-purpose financial statements of Cedar Creek Township, Wexford County, Manton, Michigan for the year ended March 31, 2004, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control structure. However, we noted certain matters that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

The relatively small number of people involved in the accounting functions of the Township and the design of the accounting system as developed by the state make it difficult to adequately segregate duties. Segregation of accounting duties is a fundamental method of strengthening internal control. However, in deciding what internal control procedures should be implemented, the Board must consider the costs of implementing them and weigh those costs against the benefits to be derived from their implementation.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the condition described above is a material weakness.

This report is intended solely for the information and use of the Board and others within the organization. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

Very truly yours,

BAIRD, COTTER AND BISHOP, P. C.

Baird, Cotter & Bishop, P.C.